



Special Notice

STATE BOARD
OF EQUALIZATION

DMV Registration–City District Use Tax Exemptions for Unincorporated Area Residents

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Sacramento
California 95814

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Information:
www.boe.ca.gov

Taxpayers' Rights
Advocate
888-324-2798

Taxpayer Information Section
800-400-7115
TDD/TTY: 800-735-2929



Registered voters of certain cities throughout California have approved transactions and use taxes (district taxes) that are in addition to state and local taxes. These district taxes apply only within the city limits of each district. When registering a vehicle or vessel, residents and businesses located in unincorporated and other neighboring areas outside the city limits are generally not subject to the additional district taxes. When zip codes are used to determine a tax rate, a method used by the Department of Motor Vehicles (DMV), there may be instances where the zip code for the city district extends beyond the city limits, causing residents outside the city limits to be charged the higher tax rate.

Effective immediately, the DMV will now accept the following as support for exemption from district use tax on vehicle and vessel purchases by residents and businesses located outside the city limits of any taxing district:

- A *Statement of Facts* (REG 256) from the applicant at the time of registration. Section G should be completed indicating that when the vehicle/vessel was purchased, the applicant lived at an address outside of the city limits, and that the vehicle/vessel purchased is exempt from the district tax imposed by that city.

or

- A *Certificate of Vehicle, Mobilehome, or Commercial Coach Use Tax Clearance* (BOE-111) from the State Board of Equalization. This form can be obtained by completing a *Vehicle/Vessel Use Tax Clearance Request* (BOE-106). For more information on the BOE-111 and BOE-106 forms, please refer to [publication 52, Vehicles and Vessels: How to Request a Use Tax and Clearance for DMV Registration](#)

or

- A letter from a city representative written on city letterhead stating that the address in question is not located within the city limits and the additional city district tax is not due.

Residents and businesses located in these unincorporated areas and other areas outside the city limits may still be responsible for paying other applicable state and local taxes.

For more information

If you have any questions regarding this notice, please call our Taxpayer Information Section at 800-400-7115. Staff are available from 8:00 a.m. to 5:00 p.m., Pacific time, Monday through Friday, except state holidays.